



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

| | | | |
|-------------------------|----------------|----------------|----------------------------|
| Bill # | HB0662 | Title: | License massage therapists |
| Primary Sponsor: | Arntzen, Elsie | Status: | As Introduced |

- | | | |
|-----------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

| | <u>FY 2010 Difference</u> | <u>FY 2011 Difference</u> | <u>FY 2012 Difference</u> | <u>FY 2013 Difference</u> |
|-----------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures: | | | | |
| State Special Revenue | \$32,648 | \$18,558 | \$19,022 | \$19,497 |
| Revenue: | | | | |
| State Special Revenue | \$32,648 | \$18,558 | \$19,022 | \$19,497 |
| Net Impact-General Fund Balance: | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact:

The costs associated with creation and administration of a massage therapist's license and meeting costs associated with a five member board.

FISCAL ANALYSIS

Assumptions:

- The board will have two two-day meetings and two conference calls per fiscal year. Board member per diem for each year of the biennium will be \$1,500. Board member mileage reimbursement for each year of the biennium will be \$2,750. Meal reimbursement for each year of the biennium will be \$460. Lodging reimbursement for each year of the biennium will be \$823.90. Total travel costs will be \$5,534 for each year of the biennium.
- Legal will spend 4 hours preparing for each meeting and then attend both days of meetings for a total of 40 billable hours @ \$95 per hour = \$3,800 for each year of the biennium
- The department will propose rules to implement the statute.
- There will be a minimum of 25 pages for the rule proposal notice, 10 pages for the adoption notice, 20 administrative rule pages \$50 per page for a cost of \$2,750. It is estimated there will be 100 hours of attorney time to write the rules and prepare the rule notice at \$95 per hour for a cost of \$9,500. The cost of the rule hearing is estimated to be \$740. The total cost of rule making \$11,990 in FY 2010.
- Interested parties will need to be notified of the proposed rules, the hearing and adoption of the rules. It is estimated there will be 50 interested parties and 500 prospective licensees who will be notified by postcard

and guided to the department's website to review the notices. Printing and mailing is estimated to be \$1,100. Total costs for rule notification is \$1,100 in FY 2010.

5. The department estimates there will be 500 applicants for licensure.
6. Implementation of HB 662 will require a 0.20 FTE to administer the program with 500 licensees. Total personal services costs would be \$6,885. Indirect costs paid to the department are 10% of personal services or \$689. The total annual cost would be \$7,574.
7. Operating costs are estimated to be \$1,650 for each year of the biennium (\$425 estimated cost for supplies, \$400 printing charges for applications, licenses and renewal notices; \$400 for postage; \$425 for phone and communication expenses).
8. It is assumed there will be 500 new applications for licensure received in FY 2010. Application fees will be set commensurate with cost.
9. 2.5% inflation factor is applied to costs in the 2013 biennium.

| | <u>FY 2010 Difference</u> | <u>FY 2011 Difference</u> | <u>FY 2012 Difference</u> | <u>FY 2013 Difference</u> |
|-----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <u>Fiscal Impact:</u> | | | | |
| FTE | 0.20 | 0.20 | 0.20 | 0.20 |
| <u>Expenditures:</u> | | | | |
| Personal Services | \$8,385 | \$8,385 | \$8,595 | \$8,810 |
| Operating Expenses | \$24,263 | \$10,173 | \$10,427 | \$10,688 |
| TOTAL Expenditures | \$32,648 | \$18,558 | \$19,022 | \$19,498 |
| <u>Funding of Expenditures:</u> | | | | |
| State Special Revenue (02) | \$32,648 | \$18,558 | \$19,022 | \$19,498 |
| TOTAL Funding of Exp. | \$32,648 | \$18,558 | \$19,022 | \$19,498 |
| <u>Revenues:</u> | | | | |
| State Special Revenue (02) | \$32,648 | \$18,558 | \$19,022 | \$19,498 |
| TOTAL Revenues | \$32,648 | \$18,558 | \$19,022 | \$19,498 |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |

Technical Notes:

1. Section 4(5)(a): The list of areas exempted in (5)(a) are subject to a limitation, whereby the exemption applies only if the individual is "recognized or meets the established requirements" of an organization or credentialing agency. The board's rulemaking authority (Section 5) should expressly include authority to designate which organizations and credentialing agencies it will recognize in order for a person to be eligible for an exemption. Alternatively, the bill could identify another way to determine which organizations and credentialing agencies qualify as being able to establish qualifications which make a person eligible for an exemption.

Sponsor's Initials

Date

Budget Director's Initials

Date